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SUBJECT: MDB WISSMANN OUTLINES VISION OF NEW TRANSATLANTIC
ECONOMIC PARTNERSHIP; FOCUS ON REGULATORY COOPERATION

REF: BERLIN 1747

SENSITIVE BUT UNCLASSIFIED - PLEASE HANDLE ACCORDINGLY

11. (U) Summary: Building on his previous calls for closer transatlantic economic ties (reftel), Matthias Wissmann, Chairperson of the Bundestag Committee on EU Issues, presented his latest ideas on further integrating the transatlantic economy at a press roundtable March 8. Wissmann told the press the U.S. and EU -- drawing from their common values -- could develop a model for free trade and closer regulatory cooperation that would demonstrate to the world the benefits gained from international commerce and provide momentum for on-going multilateral trade negotiations. He emphasized his proposals -- and Chancellor Merkel's transatlantic economic initiative -- are not in competition with the Doha Round. Germany's leadership as EU and G-8 president, Wissmann continued, puts it in excellent position to lay the foundation for a long-term strategy of closer transatlantic economic cooperation. He said April's U.S.-EU Summit offers the opportunity to bring renewed focus to the economic pillar of the transatlantic relationship. End Summary.

12. (U) Wissmann, at a press roundtable, presented his latest paper on integrating the transatlantic economic region. Wissmann's paper, which echoed many of the ideas put forth by Chancellor Merkel, built off his previous efforts to encourage closer economic cooperation between the EU and North America. Wissmann emphasized the need to focus on the areas which present the opportunity for the greatest benefits -- namely lowering the regulatory barriers that currently exist between the U.S. and EU through greater cooperation. He said the U.S. and EU have an opportunity, through their cooperation, to draw from their common values and establish models for the global market in areas such as IPR and technical standards. He also said it is important not to exclude countries that share these values; the door should be open for Canada to participate as well. Wissmann referred to the European Single Market as a possible model for deeper transatlantic integration, noting the similar challenges the single market has faced in its integration. He said Germany should utilize its leadership role in the EU and G-8, including during the upcoming U.S.-EU Summit, to revitalize existing regulatory cooperation and promote agreement on new areas for future cooperation.

13. (U) In his report, Wissmann offered a time line for U.S.-EU regulatory cooperation: by 2010 the U.S. and EU should agree upon common legal standards in regulatory fields with existing mechanisms for collaboration; 2015 should be the goal for establishing a transatlantic "level playing field" in all major regulatory fields. The goal of the April 30 U.S.-EU Summit, according to Wissmann, should be a binding agreement on improved regulatory cooperation with funding for

the regulatory bodies on both sides of the Atlantic to cover the costs of their activities. In addition, the U.S. and the EU should agree on undertaking studies analyzing the cost-benefit ratio of regulatory cooperation by sectors. Wissmann acknowledged the different U.S. and EU regulatory systems have posed challenges to cooperation in the past, but his proposal aims at finding a common ground.

NTEP and Doha: Complementary not Competitive

14. (U) Wissmann explicitly stated that his proposal -- as well as the Chancellor's -- in no way is an alternative or is in competition with the on-going multilateral WTO trade talks. He opined a U.S.-EU summit agreement for more integrated transatlantic economic relationship could provide momentum for moving Doha to a successful conclusion. On a broader level, Wissmann said bringing the transatlantic economy closer also provides left-leaning European governments a way to support the larger transatlantic relationship with little risk of domestic political backlash.

Comment

15. (SBU) Beginning last year with his short-lived proposal for creating a transatlantic free trade area (TAFTA) (reftel B), Wissmann has been one of the original supporters for Germany working to create a closer transatlantic economic relationship. Despite the setback on his TAFTA proposal, his fundamental idea of strengthening the overall transatlantic relationship via the economic pillar has captured the Chancellor's interest and has given him a voice in the development of Merkel's transatlantic initiative within the Chancellery. Not surprisingly, his redefined proposal calling for closer regulatory cooperation reflects many of the ideas found in Merkel's new transatlantic proposal. Wissmann also recognizes the need to maintain political momentum for this initiative to succeed and has actively engaged high-ranking German and EU officials on pursuing closer transatlantic economic cooperation. End Comment.
TIMKEN JR